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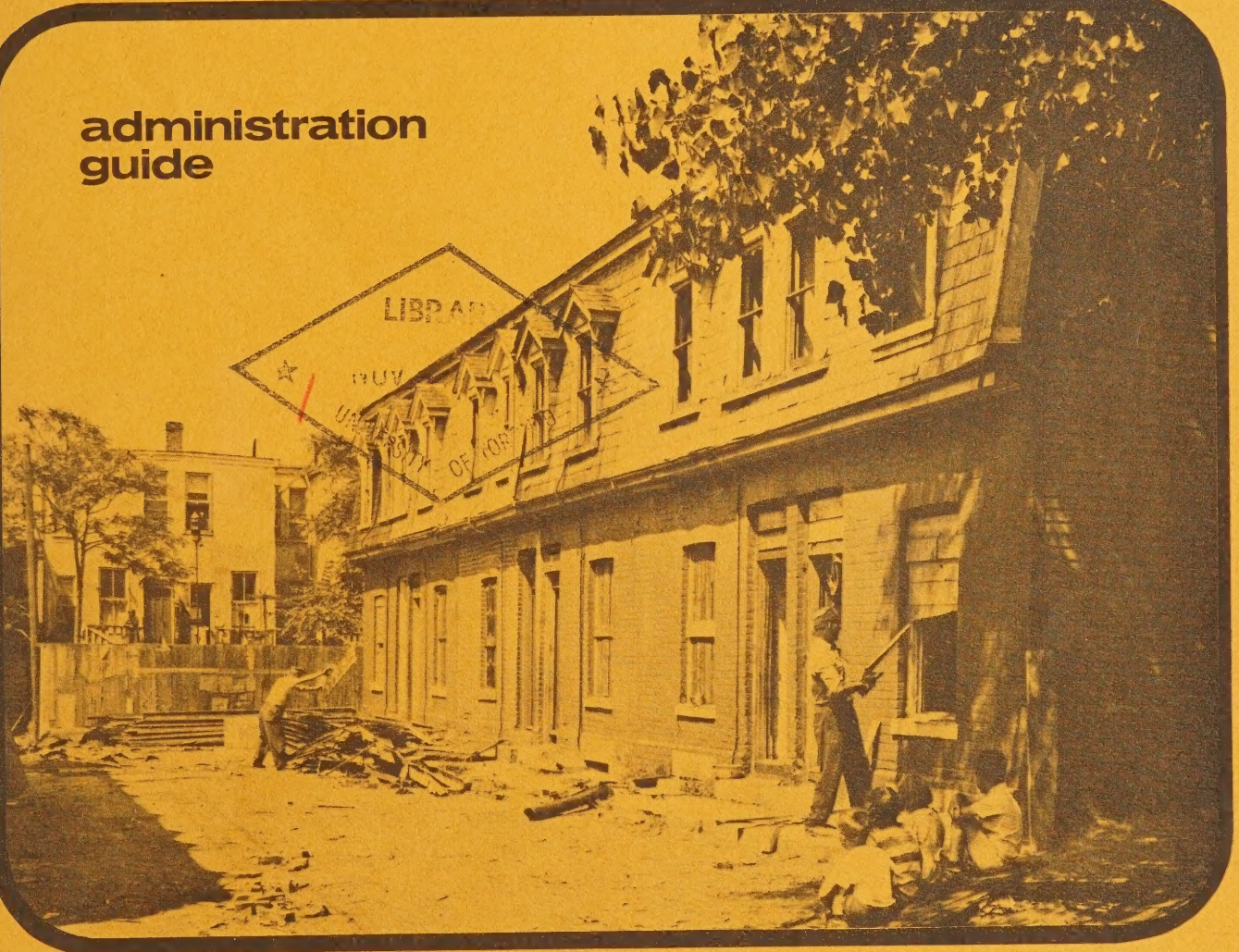
Government
Publications

OHRP

Ontario Home Renewal Program

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administration guide



Ont. Ministry of Housing

Hon. Sidney B. Handleman, minister
R. M. Warren, deputy minister



Ontario

Community Renewal Branch

801 Bay Street, Toronto 965-2826

J. F. Brown, director

General

The Ministry of Housing for the Province of Ontario has announced the Ontario Home Renewal Program (OHRP), designed to assist owner occupants to repair, rehabilitate and improve the existing housing stock in Ontario.

Ten million dollars has been made available to municipalities during the 1974-75 fiscal year. Subject to a review and evaluation of the Program it is anticipated that the same amount will be made available in each of the following two years.

The provincial grant will be made available on a per capita basis to municipalities that apply for them.

The formula for provincial grants to municipalities is as follows

- Municipalities under 10,000 population — \$4 per capita or \$4,000, whichever is greater.
- Municipalities with population between 10,000 and 99,999 — \$3 per capita.
- Municipalities with population 100,000 and over — \$2 per capita.

Except where the applicant is a regional municipality the minister may, in addition to the annual grants allowed to be made under the above formula, make additional grants of \$25,000 to those municipalities whose population is less than 10,000.

The grants will be calculated on the basis of the population of the local municipalities but funds will be dispersed through regional governments where in existence. Where regional governments do not exist or do not wish to assume responsibility, the Ministry of Housing will deal directly with a municipality to carry out the program. The regional or municipal governments will be responsible for advising their residents of what money is available to them and how they can apply for it.

Municipalities will be required to make application to the Minister of Housing for grants on the form prescribed by the ministry. (See appendix A.) Details of the municipal responsibilities follow in this document.

In the case of areas which do not fall within existing municipal boundaries, the ministry will undertake the administration of the program as provided for under the regulations. The ministry will also be responsible for informing residents of the program in these unorganized areas.

The prime objective of OHRP is the repair of faulty structural and sanitary conditions and the upgrading of the plumbing, heating and electrical systems of residences. Exterior painting along with required repairs will be considered eligible. Additions to houses are not intended to be covered by the program.

OHRP is intended to apply to all areas where substandard housing exists, provided of course that repairs are feasible in extending the useful life of the dwellings. The federal program, RRAP, is confined to the Neighbourhood Improvement Program (NIP) areas and certain other specially selected areas. The provincial program may supplement the federal program in assisting the improvement and repair of substandard dwellings.

The municipalities can use the funds for both forgivable loans and repayable loans, providing:

- the total forgivable loans do not exceed 50 per cent of the total annual provincial grant to each municipality;
- the interest on loans to owners shall be related to family income as set out in the regulations:

- the aggregate average interest rate charged to property owners must be at least three per cent of the repayable loan portion of the grant to the municipality by the province; and
- the maximum amount of loan to an owner-occupant shall not exceed \$7,500 less any federal funding.

As the loans are repaid, the municipalities will retain the capital and interest payments.

Where the municipality fails to use the whole and any part of the fund established by the municipality under clause F of section 4 of the regulations of the Housing Development Act, for the purposes for which it was established, the minister may require that there be repayment to the Province of Ontario of the whole or any part of the fund.

The ministry shall approve each municipality's application to ensure each municipality plans to distribute its funds in accordance with the regulations. It will also monitor and evaluate the program, as it proceeds, and will carry out annual audits of the municipality's expenditures.

Criteria

Many municipalities have adopted and are enforcing "Standards for Maintenance and Occupancy" bylaws as a means of upgrading substandard housing. Where these bylaws are in effect, they will be the basis for giving aid under the program. Where no such bylaws exist, the municipality must submit with its annual application, a resolution setting standards regarding building, maintenance and health it intends to administer:

- providing the minimum level of health and safety qualities to which all residences must conform, and
- ensuring that the property will not fall back into disrepair.

Three types of home renewal activity are permissible under the new program. These may be combined by the municipality, with the approval of the minister.

- A financial supplement for homeowners participating in the federal RRAP. This supplement will be used to reduce the repayable portion of the federal loan or to increase the amount of loans to the homeowner, where required, or both, provided such expenditures do not exceed 25 per cent of the provincial grant to the municipality.
- Programs emphasizing structural and sanitary repairs and other necessary improvements, are applicable to areas not covered by the federal program.
- A program of exterior "block improvement" including exterior painting or clearing of old fences, garages, etc., and clearance of debris in residential areas not eligible for federal funding. Financial assistance under this "block improvement" program is available only to owners who otherwise qualify for a loan under the regulation for the Ontario Home Renewal Program. Expenditures under this program shall not exceed 10 per cent of the grant to the municipality by the province. Properties whose owners' incomes exceed maximum limits set out in the regulations are not eligible. This type of renewal activity will be carried out by the municipality or an agent of the municipality.

Homeowners are eligible for assistance under the program by way of forgivable or repayable loans or both, if their

adjusted family incomes do not exceed \$12,500. The adjusted family income is defined as follows:

“Adjusted family income” means the aggregate gross annual income from all sources of the principal wage-earner of a family and his or her spouse after deducting therefrom the following:

- the travelling expenses relating to the procurement of such income;
- the annual gross income of the spouse, or the sum of \$1,000.00, whichever is the lesser;
- the sum of \$300 for each dependent child living in the dwelling unit, and
- where only one parent resides in the dwelling unit the sum of \$1,000 less the amount of any financial assistance for maintenance received from any Government agency or body.

In order to “earn” the forgivable portion of the total loan, the homeowner must continue to hold title and occupy the property for a period of time determined by dividing the amount of the forgivable portion by \$250 in RRAP areas. Outside the RRAP areas the divisor is \$600.

Should the homeowner transfer title, lease or rent the property, he will be required to pay back the “unearned” portion of the forgivable loan outstanding, and all the outstanding portion of the repayable loan and interest forthwith.

While the municipalities may decide on the combination of loans in respect of a family housing unit in which the homeowner resides, the maximum amount of forgivable loan with no RRAP funding shall not exceed \$4,000, and with RRAP funding, \$1,500. A homeowner whose adjusted family income is \$6,000 or less, shall be eligible for a maximum forgivable loan of \$4,000 with no RRAP funding, and \$1,500 with RRAP funding. In the case of a borrower whose income exceeds \$6,000, the maximum forgivable loan shall be \$4,000 minus \$1 for each \$1.25 of the homeowner’s income exceeding \$6,000 with no RRAP funding involved, and shall be \$1,500 minus \$1 for \$3.33 of the homeowner’s income exceeding \$6,000 when RRAP funding is involved.

The following tables are provided to illustrate the maximum forgivable loans at various adjusted income levels.

TABLE 1

Adjusted family income	Maximum grant* (forgivable loan) with no RRAP funding	Maximum grant** (forgivable loan) with RRAP funding	Maximum RRAP (forgivable loan) funding
\$3,000 & under	\$4,000	\$1,500	\$2,500
4,000	4,000	1,500	2,500
5,000	4,000	1,500	2,500
6,000	4,000	1,500	2,500
7,000	3,200	1,200	2,000
8,000	2,400	900	1,500
9,000	1,600	600	1,000
10,000	800	300	500
11,000 & over	0	0	0

*or cost of repairs, whichever is lesser

**or difference between the cost and the forgivable loan under RRAP, whichever is lesser.

TABLE II

Adjusted family income	Interest rate on repayable loans
\$3,000 and under	0 per cent
3,001 - 4,000	1
4,001 - 5,000	2
5,001 - 6,000	4
6,001 - 8,000	6
8,001 and over	8

The RRAP assistance from CMHC is available in NIP areas or specially selected areas. The RRAP assistance is limited to a maximum loan of \$5,000, of which up to \$2,500 may be forgiven, the amount being based on the income of the borrower.

In order to provide owners in the NIP areas whose rehabilitation assistance will come primarily from RRAP with the same level of assistance as available through OHRP outside of RRAP areas, OHRP will supplement RRAP loans to the extent indicated in column 3 of table 1.

The following arrangements are suggested.

- (a) Term of repayment is generally up to 15 years but may be extended to 20 years should the condition of the building after repairs warrant it, or reduced at the request of the borrower, if within his financial ability.
- (b) Where grants and loans are made by CMHC under RRAP, the OHRP repayable loan may be the difference between the cost of the work and the total of the RRAP grant and loan, minus the OHRP forgivable loan.

Municipal role

The municipality desirous of taking advantage of the program is required to make an annual application for funds according to the population, or such lesser amount it considers adequate for its needs. This will include a statement of the building, maintenance and health standards it intends to enforce. Application form is attached as appendix A.

On approval by the minister, an accountable advance not to exceed 25 per cent of the funds will be forwarded. Further advances will be made as supported by the quarterly activity report submitted by the municipality. The format of the quarterly report form is available from the Community Renewal Branch.

The municipality is required to follow the regulations of the Ontario Home Renewal Program in the administration of the loans.

The responsibilities of the municipality, without limiting the generality of the following, would include:

- Advising residents of the program.
- Interviewing interested parties.
- Inspecting properties for necessary and eligible repairs.
- Obtaining credit report if considered necessary.
- Searching title to the property.
- Completing documentation with the application.
- Approving loan including both forgivable and repayable portions.
- Inspecting work on completion.
- Advancing funds.
- Administering the loan account.
- Performing necessary accounting functions.
- Making quarterly reports to the ministry.
- Making records available for audit, monitoring and evaluation by the Ministry.

The municipality must provide the staff to undertake the administration, for which up to \$150 per loan will be considered to be part of the loan to the owner occupant and may be charged by the municipality.

To assist the municipal employees engaged in the program, the ministry may conduct workshops in various areas of the province.

(to be submitted in triplicate)

- (date)

Approved

(date)

(for Ministry of Housing)

Administration Guide has been prepared by the staff of the Community Renewal Branch in consultation with the staff of the Municipal Liaison Committee.

NOTE: The following is a sample of the wording of cards to be supplied by the ministry to municipalities for enclosure with OHRP cheques to be mailed to homeowners.



MINISTRY OF HOUSING
Ontario Home Renewal Program

Dear Homeowner:

The enclosed cheque is made to you under the Housing Development Act, as part of the Ontario Government's Ontario Home Renewal Program, which is being administered by your municipality.

The Ontario Ministry of Housing and your municipality are pleased to provide this assistance to you so that you will be able to carry out improvements to your home and thus help preserve Ontario's valuable supply of older housing.

Honourable Sidney B. Handleman,
Minister of Housing.



Ontario